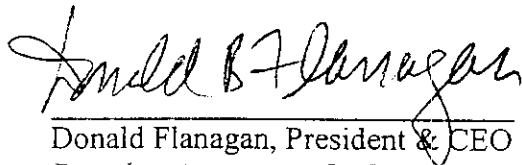


2. FailSafe acknowledges that it shall be responsible for complying with all applicable federal and state reporting requirements for employers of lobbying agents. Brandon agrees to assist FailSafe with such reporting requirements as requested. Brandon shall not be liable for any failure on the part of FailSafe to comply with such reporting requirements.
3. FailSafe agrees to comply with all federal laws and regulations regarding technology transfer and prohibitions on contracting with or engaging in financial transactions with individuals or foreign governments that are owned or controlled by individuals that support terrorism or are otherwise restricted by the federal government. FailSafe shall indemnify Brandon against any claims, losses, liability, or damages suffered or incurred by Brandon related to any violation by FailSafe of any laws or regulations relative to the interaction or connection of FailSafe to any individuals or foreign governments owned or controlled by individuals that support terrorism or are otherwise restricted by the federal government.
4. If any provision of this Agreement, or portion thereof, is determined to be invalid, unenforceable or void for any reason, such determination shall affect only that invalid, unenforceable or void portion of any provision, which shall be stricken from the Agreement, and shall not affect in any way the validity of Agreement or its remaining provisions.
5. Upon the Renewal Period, this Agreement shall terminate upon thirty (30) days advance written notice after either party provides a breaching party with written notice of a material breach of any provision of this Agreement including, without limitation, any delinquency in payment of any fees due hereunder, unless the breaching party has cured such breach during the thirty (30) day period.
6. This Agreement and any disputes arising out of or in relation to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and resolved exclusively in the courts sitting in the Commonwealth of Massachusetts. The Parties agree the Commonwealth of Massachusetts is a reasonable and convenient forum for the resolution of disputes, and each consents to the exclusive personal jurisdiction of such courts, and service of process by certified mail or national overnight carrier.
7. FailSafe shall indemnify and hold harmless Brandon, its directors, officers, employees, and agents from and with respect to any losses, damages, claims or complaints (including without limitation reasonable attorney fees) arising from any act or omission of FailSafe in connection with any matter covered by this Agreement. Under no circumstances shall Brandon be liable to FailSafe or any other person or entity for special damages, incidental damages, consequential damages, indirect damages, loss of good will, loss of business profits, any and all commercial damages or loss, or exemplary or punitive damages. FailSafe's sole and exclusive remedy for any claim, damage or loss arising under this agreement, whether due to Brandon's negligence or other tort, and/or breach of duty shall be payment of liquidated damages equal to the services paid by FailSafe with respect to this Agreement.
8. With the exception in Sections Two and Three, and as related to the representations made regarding FailSafe's technology, Brandon shall indemnify

and hold Failsafe harmless and shall indemnify and hold Failsafe's directors, officers, employees, and agents harmless from and with respect to any losses, damages, claims, or complaints (including without limitation reasonable attorneys' fees) arising from any act or omission of Brandon in connection with any matter covered by this Agreement. Other than with the exceptions noted above, under no circumstances shall Failsafe be liable to Brandon or any other person or entity for special damages, incidental damages, consequential damages, indirect damages, loss of good will, loss of business profits, and any and all commercial damages or loss or exemplary or punitive damages. Brandon's sole and exclusive remedy for any claim, damage or loss arising under this Agreement, whether due to Failsafe's negligence or other tort and/or breach of duty shall be payment of liquidated damages equal to the services rendered by Brandon and the amount received by Brandon from Failsafe with respect to the Agreement herein.

9. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.
10. The following sections of the General Terms of this Agreement shall survive expiration or termination of this Agreement: Sections Two, Three, Six, Seven, Nine and Ten.

In witness whereof, the parties have executed this Agreement as of the date first above written.



Donald Flanagan, President & CEO
Brandon Associates, LLC
Dated: 12-9-03



Paul Chirayath, President
FailSafe Air Safety Systems Corp.
Dated: 12-11-03

Exhibit C

Ex. C

Brandon Associates LLC

	Invoice Number	Invoice Date	Invoice Amount	Paid by Failsafe	Fees	Expenses
FailSafe	1121	06/01/03	18,500.00	18,500.00	18,500.00	-
FailSafe	1132	07/01/03	18,600.00	18,600.00	18,500.00	100.00
FailSafe	1148	08/01/03	19,944.60	19,944.60	18,500.00	1,444.60
FailSafe	1159	09/02/03	18,600.00	18,600.00	18,500.00	100.00
FailSafe	1171	10/01/03	20,866.10	20,866.10	18,500.00	2,366.10
FailSafe	1185	11/01/03	19,693.78	1,933.90	18,500.00	1,193.78
FailSafe	1202	12/01/03	19,059.21 *		18,000.00	559.21
FailSafe	1214	01/01/04	18,617.68 *		18,000.00	117.68
FailSafe	1227	02/02/04	18,515.26 *		18,000.00	15.26
FailSafe	1236	03/01/04	20,348.53 *		18,000.00	1,848.53
FailSafe	1252	04/01/04	19,414.70 *		18,000.00	914.70
FailSafe	1263	05/03/04	18,828.28 *		18,000.00	328.28
FailSafe	1277	06/01/04	18,897.06 *		18,000.00	397.06

Invoice Totals		249,885.20	98,444.60	237,000.00	9,385.20
			[b]	[a]	[a]

Balance Due Brandon Associates LLC [a - b] \$ 147,940.60

Payments by Failsafe

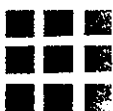
Check #	Date	Amount
1250	11/3/2003	10,000.00
1278	12/5/2003	8,500.00
1306	1/6/2004	10,000.00
1334	1/29/2004	10,000.00
1339	1/29/2004	10,000.00
1355	3/1/2004	9,944.60
1408	4/7/2004	10,000.00
97	4/29/2004	10,000.00
1054	6/16/2004	10,000.00
1121	8/23/2004	5,000.00
1129	8/30/2004	5,000.00

Total to date 98,444.60

* Per the contract of November 1, 2003, Brandon should have been invoicing only \$18,000 per month for fees.

Exhibit "D"

Ex. D



FailSafe
Air Safety Systems

FAILSAFE AIR SAFETY SYSTEMS CORPORATION INVESTOR OVERVIEW

March 2004



FailSafe
Air Safety Systems

Copy #: _____

Recipient: _____

INVESTOR OVERVIEW

The sole purpose of this Confidential Investor Overview is to assist recipients in deciding whether they wish to proceed with a further investigation of a possible Transaction. It is not intended to form the basis of any investment decision or any decision to engage in a Transaction. Each potential counterparty (licensee and/or purchaser of equity) will be required to conduct its own due diligence investigation, which investigation will be facilitated by the Company.

The information in this Investor Overview has been provided by FailSafe. No representations or warranties, express or implied, is or will be made, and no responsibility or liability is or will be accepted by FailSafe or by any of their respective subsidiaries or affiliates, officers, directors or agents as to, or in relation to, the accuracy or completeness of this Investor Overview. Only such representations or warranties which may be made in a definitive agreement when, as and if one is executed and subject to such limitations and restrictions as may be specified in such agreement, will be binding on FailSafe.

Except as otherwise indicated, no independent accountant has audited, reviewed, compiled or is in any way associated with the information presented herein nor has an independent accountant expressed any conclusion thereon nor given any other form of assurance with respect thereto.

This Investor Overview is being made available only to parties who have signed and returned a confidentiality agreement and recipients are therefore bound by the confidentiality agreement in respect of all information contained herein. By accepting this Investor Overview, the recipient agrees that all the information contained herein or made available in connection with any further investigation of the Company is confidential and shall be treated in a confidential manner, in accordance with the terms of the confidentiality agreement. If you have not signed a confidentiality agreement, you must return this Investor Overview to FailSafe immediately at the address noted below.

The Investor Overview may not be photocopied, reproduced or distributed to others at any time without the prior written consent of FailSafe. Upon request, the recipient agrees to promptly return to the Company all material including written material received from and notes of verbal conversations with FailSafe, without retaining any copies thereof.

This Investor Overview shall not be deemed to be an indication of the state of affairs of the Company nor shall it constitute a representation that there has been no change in the business or affairs of the Company since the date hereof. In furnishing this Investor Overview, FailSafe does not undertake any obligation to update this Investor Overview.

The distribution of this Investor Overview in certain jurisdictions may be restricted by law. Persons into whose possession this Investor Overview comes are required by the Company to inform themselves about and to observe any such restrictions.

None of the shareholders, management, suppliers, clients, employees or any other personnel of FailSafe should be contacted directly or indirectly under any circumstances. All communications and inquiries relating to the Investor Overview or to a possible Transaction should be directed as follows:

Paul J. Chirayath
FailSafe Air Safety Systems Corporation
79 Fillmore Avenue
Tonawanda, NY 14150
(716) 694-6390



FailSafe

Air Safety Systems

SPECIAL CONSIDERATIONS PRIOR TO ENTERING INTO THE TRANSACTIONS

Each prospective licensee and/or purchaser of an equity interest in the Company will be required to become familiar with and address to its satisfaction various potential risks associated with the Transaction, including (but not limited to) those referenced below.

Forward Looking Information

When reading this Investor Overview and other information which will be furnished in connection with the Transaction, each prospective counterparty should be aware that all words and statements other than statements of historical fact, including, without limitation, "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could", or similar words and statements concerning the Company and its prospects, and other statements relating to the Company and its prospects, and other statements relating to the Company's expected financial position, business strategy, the future development of its products and operations and of its intellectual property rights, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, its performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking statements.

Intellectual Property Contingencies

A patent license can terminate; a U.S. or foreign patent may not issue or may not issue as broadly as expected; an issued patent may be held unenforceable; the Company's products may be held to infringe a third party patent; and competitors may design around patents licensed to the Company.

Reliance on a Key Executive

The Company's success will turn largely on the efforts and abilities of its CEO, Paul J. Chirayath (see "Key Management"); if Mr. Chirayath were to become unavailable to the Company for any reason, the Company would be adversely affected.

Uncertain Competition

While the Company believes that its products and processes will compete successfully by reason of their unique designs, by reason of the patents and patent applications described in this Investor Overview, and by reason of the Company's first-mover status, there can be no assurance as to what competitive pressures may be exerted in the future by companies with greater resources than the Company currently enjoys.

FailSafe is a Start-Up Enterprise

As a start-up enterprise, the Company faces traditional cash flow hurdles, as well as on-going challenges of acquiring on commercially reasonable terms sufficient funds for its working capital and capital improvement requirements. Additionally, its business strategy, although sound in the opinion of management, is untested.



EXECUTIVE SUMMARY

OVERVIEW

Founded in 2002, FailSafe Air Safety Systems Corp. ("FailSafe" or "Company") holds the exclusive worldwide rights to what it believes is a unique airborne hazard control process and products protected by patents and patent applications. FailSafe's target markets include government, medical, first responder (HAZMAT/EMT), and industrial/MRO. FailSafe is a privately-held Delaware C-Corporation, owned by Ms. Debra Espe, spouse of Mr. Chirayath, CEO and certain advisors to the Company.

TECHNOLOGY

FailSafe's mobile air safety technology utilizes high-efficiency particulate arresting (HEPA) and high-efficiency gas absorption (HEGA) air filters, ultraviolet (UV) light, and ozone. This approach, which is subject to a patent application, provides for the capture of particulate matter down to 0.1 micron at 99.99% efficiency (virus level), killing virus and bacteria trapped in the filter and destroying the organic compounds responsible for odors and deadly gases. The Company's unique combination of existing technology has resulted in increased efficiency and substantial cost savings for customers.

PRODUCTS

The Company developed four distinct product lines, including:

- mobile containment systems,
- transportable and portable isolation systems (i.e., medical systems),
- freestanding containment systems, and
- portable isolation containment systems (PICS).

The Company's products have successfully withstood the initial challenges of commercialization and approximately 150 units have been installed in government, military, medical, first responder, and

industrial/MRO accounts domestically and abroad. In addition, discussions with numerous prospective customers are currently underway. The Company sells its products through its growing worldwide distribution network.

KEY MILESTONES

To date, the Company has accomplished the following milestones:

- Obtained a patent for its medical systems;
- Filed a patent application for improvements in the airborne hazard control process and for mobile containment systems;
- Filed a PCT application¹ and patent applications in Taiwan and India;
- Obtained Food and Drug Administration (FDA) clearance for its medical systems;
- Obtained clearance from the California Department of Health Services and New York State Department of Health for its medical systems;
- Obtained EPA registration for its mobile containment systems;
- Standardized its production models;
- Selected as an approved vendor and listed on General Services Administration (GSA) and U.S. Department of Veteran Affairs (VA) purchasing schedules, with U.S. Department of Defense (DoD) listing expected in 2004;
- Established a strategic manufacturing partnerships for the US and the Pacific Rim;
- Established national distribution channel with resellers and manufacturers' representatives dedicated to medical, industrial/safety and first responder markets; negotiating a large distribution contract for the medical systems;
- Signed a distribution agreement with

¹ A PCT application is an international patent application filed under the Patent Cooperation Treaty that covers most of the major industrial countries, including Europe, Japan, China, South Korea, Australia and Brazil.

**FailSafe**

Air Safety Systems

an exclusive medical distributor in China;

- Signed a Memorandum of Understanding for funding of \$1.5 million with agreement of another round of \$3 million to develop a joint venture in China;
- Hired an advisory group consisting of political, medical, legal, financial and marketing specialists;
- Established a strategic alliance with a government lobby group to increase high-level government and military awareness and attain access to the Appropriations Committee in Congress;
- Received the largest grant to date of \$150,000 from the New York Indoor Environmental Quality Center's (NYIEQ);
- Completed testing of the Company's products with the Center for National Response (CNR) and the State Food and Drug Administration (SFDA) of China, and pursuing testing with U.S. Army.
- Recently selected by Erie County Legislator Charles M. Swanick (R-Tonawanda/Grand Island) to demonstrate its unique air filtration products as an alternative to the current New York State-imposed smoking ban.

FINANCIAL PLAN

FailSafe plans to manage its financial requirements judiciously through ongoing revenue and private investment. To date, the overall burn rate has been kept to a minimum and has adversely affected the growth potential of the Company. The Company plans to maximize the return on investor capital with focused spending.

INITIAL FINANCING

FailSafe was incorporated in July of 2002 as a Delaware C Corporation. To date, FailSafe activities have been financed by capital supplied by Paul Chirayath, CEO, working capital supplied by advisory groups (Blue Sage Consulting, Calera Marketing, Brandon

Associates, ElCon Medical, Vince Tracy and Jerome Schentag), product sales and non-equity funding (a grant from New York Indoor Environmental Quality (NYIEQ)).

As of March 1, 2004, FailSafe has reported an operating deficit of approximately \$1,500,000. Of this amount, \$750,000 may be converted from private capital to equity at a conversion rate equivalent to 3% equity.

START-UP FINANCING

FailSafe is seeking financing from private investors or investor groups in the amount of \$8,000,000 to ramp up manufacturing, launch its new product offering, expand sales efforts, build its organization and fortify its channel. A summary of anticipated expenses is outlined in Appendix A. It is anticipated that this level of funding will allow the Company to maintain operations and successfully meet its revenue goals within the next 18 months.

EXPANDED START-UP FINANCING

Upon securing its first round of funding, the Company will seek additional capital to establish market awareness, reinforce its market dominance, expand its channel and reinforce branding in target segments, and conduct additional product research and product development.

INITIAL PUBLIC OFFERING

Upon delivery of its next generation air safety products and achievement of market penetration in target segments, the Company plans to pursue an initial public offering. Proceeds will be used to expand the Company's presence in worldwide markets and to further develop its distribution channel and manufacturing capabilities.

COMPANY OWNERSHIP

The following private investors share ownership in the Company:

Investor	% Ownership
Converted debt	3%
EICON Medical	5%
Blue Sage Consulting, Inc.	5%
Alan Feuerstein	5%
Nick Olaerts	1%
Debra Espe	81%



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Air Safety Systems

BOARD OF DIRECTORS

Debra Espe, Founder

Paul J. Chirayath, CEO
FailSafe Air Safety Systems Corporation

Alan Feuerstein, Partner
Feuerstein & Smith, LLP

Eliot S. Lazar, MS, MD, President
elCON Medical Consulting

(3) Empty Board seats

KEY SELLING CONSIDERATIONS

Market Growth Driven by Threat of Germ, Radiological, and Chemical Warfare

FailSafe's products are uniquely positioned to capture a meaningful share of the airborne hazard control market which is expected to grow substantially over the next several years. This growth is based on:

- incremental government funding to increase preparedness to combat biological and chemical terrorism as part of an increased focus on homeland security;
- growing demand for improved isolation control associated with ongoing threat of bioterrorism, newly discovered strains of antibiotic resistant bacteria and legal exposure related to spread of infectious diseases; and
- incremental cost savings for medical providers resulting from deployment of portable isolation systems vs. current technologies (e.g., isolation rooms).

Unique Airborne Hazard Control Process and Products

Due to FailSafe's airborne hazard control process and products, which are subject to a patent and a patent application, the Company enjoys minimal competition in the airborne hazard control market. The Company

believes that products from many vendors would need to be deployed in order to offer solutions comparable to those provided by FailSafe's products.

Diverse Applications

The flexibility of FailSafe systems allows for a wide spectrum of applications ranging from infectious patient isolation to removal of chemical and biological contamination to toxic mold cleanup. These diverse applications represent a broad target market for the Company's products.

Successful Entry to the Medical Markets

FDA clearance for isolation systems has provided FailSafe with access to the virtually untapped transportable and portable isolation market. The Company has signed contracts for its products for transporting and isolating tuberculosis (TB) or suspected TB patients with a number of hospitals in the U.S. and abroad. The products are also used for transporting infectious patients in a variety of medical situations. FailSafe's medical systems are the first and the only patented and FDA -cleared portable isolation systems on the market today.

Access to Government Contracts

Being selected as an approved vendor and listed on the GSA and VA purchasing schedules with DoD listing expected in 2004, FailSafe has improved visibility and access to government projects. As a result of its relationship with its lobbying firm, the Company has successfully conducted meetings with key organizations and government agencies. This represents substantial market opportunity for the Company's products, given increased government funding for homeland security and hospital preparedness.

International Opportunity

FailSafe products are well positioned to capitalize on growing global demand for airborne hazard control products. In particular, the recent emergence of SARS increased the awareness and need for improved air safety and isolation control and



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Air Safety Systems

has opened up a virtually untapped market in China and the Pacific Rim.

New Products Pipeline

In 2003, FailSafe completed development of several new products, including:

- positive aseptic flow system for isolation of immune deficient patients;
- wall-mounted unit for isolation of potentially infectious inmates at correction facilities;
- safe mail sorting machine that provides protection from contaminants for mail handlers.

FailSafe intends to file one or more patent applications for these new products.

In addition, the Company has recently partnered with Design Shelter, Inc, to design, manufacture, and market a stand-alone portable isolation solution to be used for hospital surge capacity and for isolation of multiple infected patients. The new solution includes a combination filtration/heating/air conditioning unit with an all weather shelter.

Potential for Maintenance Follow-on Business

The Company believes that it will generate substantial follow-on revenues from service and maintenance of its systems.

KEY MILESTONES

To date, the Company has achieved the following milestones:

Patent and Patent Application

FailSafe's medical products - portable and transportable isolation systems - are protected by a patent issued in 2000. Further, the Company filed a patent application for improvements in the airborne hazard control process and for mobile containment systems in 2002. Finally, in 2003 FailSafe filed a PCT application and a patent application in Taiwan and India.

FDA Clearance for the Medical Systems

On August 29, 2002, the FDA issued clearance for the 07 and 77 model isolation systems manufactured by FailSafe. FDA clearance allows medical facilities to submit Medicare and Medicaid claims at the same reimbursement rate as for a TB isolation room, which varies by state (e.g., \$800 per day in Western New York). The Company has begun marketing its 07 and 77 model isolation systems for transporting and isolating a TB patient or suspected TB patient.

FailSafe's products surpass the stringent requirements of recent OSHA TB isolation guidelines that mandate that all long-term care facilities put in place isolation and quarantine capability. FailSafe's products are the only FDA-cleared portable devices that comply with this requirement.

New York and California Department of Health Services' Clearance for the Medical Systems

In February 2003, New York State Department of Health provided clearance for FailSafe medical systems. Further, in March 2003, California Department of Health Services acknowledged FDA 510(k)² status for FailSafe medical systems³. This has cleared the way for FailSafe to leverage its relationships with the California Hospital Association and the State of California Office of Homeland Security to market the Company's products to medical and other facilities in the state.

EPA Registration for Mobile Containment Systems

In 2003, FailSafe successfully completed registration of its mobile containment systems with EPA. EPA registration provides FailSafe products with a greater access to military and government contracts.

² FDA-approved status.

³ Letter by Kevin Reilly, DVM, MPVM, Deputy Director, Prevention Services, California Department of Health Services dated March 14, 2003.

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Air Safety Systems

Department of Homeland Security (DHS) Safety Act Certification

FailSafe has applied for the DHS Safety Act certification for all of its products. Should the certification be granted, it would provide immunity from litigation resulting from use of the products as a defense mechanism.

Standardized Production Models

Over the past several years, the design of FailSafe's products has been continuously improved based on field usage. The design of the current standard production models is a result of rugged field-testing and evolution.

Approved Vendor Status with Government Agencies

FailSafe has successfully completed a rigorous and lengthy (up to one year) certification process and has been selected as an approved vendor for all of its products by several governmental agencies. As such, the Company has been included in the GSA and VA approved vendor lists and is expected to be added to the DoD list in 2004. Such certification and approvals provide FailSafe with improved visibility and access to government contracts.

Strategic Manufacturing Partnerships

FailSafe has established a strategic partnership with Hydro-Air Components Inc., a manufacturing vendor, with manufacturing facilities in the U.S. and China. The Company's vendor is ISO 9000 certified and as such, meets stringent manufacturing requirements.

Strategic Alliance with a Government Lobby Group

The Company established an alliance with Calderon Associates, a government lobby group, to increase high-level government and military awareness and attain access to the Appropriations Committee in Congress.

National Channel Distribution

FailSafe is establishing national channel distribution with resellers and manufacturers' representatives dedicated to medical, government, industrial/safety, and first

responder markets. The Company's distribution network provides wide geographic coverage in the U.S. and North America as well as product visibility with end users (through resellers) and distributors (through manufacturers' representatives). In addition, FailSafe is currently negotiating a large distribution contract for its medical systems in the United States.

International Marketing Contract

FailSafe has signed a sales and marketing agreement with Wei Hong Medical, one of the largest medical distributors in China, for sales and marketing coverage in the Pacific Rim, with representation by manufacturers' reps in Europe and the Middle East. FailSafe's existing international customers include the Hellenic Army and Navy, the Chinese CDC, and several Canadian hospitals and public facilities. In addition, negotiations are in progress for contracts with a number of government and private companies in China, Finland, Russia, Saudi Arabia, Thailand and Uzbekistan.

Active Advisory Group

FailSafe has established an advisory group consisting of political (Brandon Associates, LLC. and Calderon Associates), medical (elCON Medical Consulting), legal (Feuerstein & Smith, LLP and Kaye Scholer LLP), marketing (Blue Sage Consulting, Inc. and Calera Marketing Associates, Inc.) and financial (Eureka Capital Markets, LLC) specialists.

Awarded the Largest NYIEQ Grant to Date

In November 2002, FailSafe was selected as the recipient of a \$150,000 grant through the Commercialization Assistance Program (CAP) of the New York Indoor Environmental Quality Center (NYIEQ), a partnership of academic, research and medical institutions in Central New York dedicated to improving public health and grow local jobs. The Company will use the grant to fund product development and expansion of its FDA clearance for medical isolation units.



FailSafe
Air Safety Systems

Product Testing

In August 2003, the Company successfully completed operational product testing and evaluation for effective use in large-scale HAZMAT and WMD response operations with the Center for National Response (CNR), a National Guard Bureau (NGB) training and testing facility.

In January 2004, FailSafe received a favorable report on completion of product testing with the State Food and Drug Administration (SFDA) of China.

Further, U.S. Army testing of the FailSafe products with live agents (e.g., smallpox, anthrax) can help to further validate the Company's technology and expand current FDA clearance. The Company is pursuing testing with Dugway Proving Ground, one of the two chemical and biological warfare proving grounds in the free world where such testing can be completed.

PRODUCTS

FailSafe markets products for government, medical, first responder, and industrial/MRO markets worldwide based on a unique mobile air safety process subject to a patent application. FailSafe offers four distinct product lines:

MOBILE CONTAINMENT SYSTEMS

These products are designed to capture, contain, and neutralize airborne and surface resident agents ranging from nuisances, such as dust, pollen and odor, through the toxic to the deadly, such as anthrax, smallpox, sarin gas, TB and other biohazard/bioterrorism problems. Primary markets for FailSafe mobile containment systems include MRO, military and HAZMAT/EMT. This product line is subject to a patent application.

The mobile containment system product line includes four models (*FASS HAZMAT*, *700*, *1000* and *2000*) differentiated based on the capacity to achieve a certain amount of airflow. This capacity ranges from 700 to

2,000 cubic feet per minute. The FASS Hazmat (700 cubic feet per minute) was designed to fit inside a standard fire truck utility cabinet. With heavy-duty wheels, the unit is easy to roll down the center aisles of standard aircraft, commercial buses or maneuver in other emergency locations. Other models in the FASS series are larger and handle higher airflow.

FASS HAZMAT



FASS 700



FASS 1000



FASS 2000





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TRANSPORTABLE AND PORTABLE ISOLATION SYSTEMS

These products are designed to prevent or minimize the spread of infectious diseases to other patients, visitors or staff in a medical or public facility. FailSafe isolation systems utilize high capacity HEPA filters, UV germicidal lights and optional ozone capability combined in a unique way to effect the process. These systems are 99.99% effective at catching patient bio-aerosols at 0.1 micron. They surpass OSHA standards for patient isolation and CDC standards for isolating and controlling airborne infection.

For non-lethal infections, air can be re-circulated or connected to outside ducting to create a negative pressure not only within the treatment zone, but also within the entire room. Negative pressure rooms can then be easily set up anywhere in a facility, because the same and greater fan velocities that were formerly used in isolation rooms for total room treatment are now focused to the source of the potential infection contamination.

This product line includes:



MODEL 07 – provides ability to safely move infected patients among an unprotected population. Its compact design allows easy transport through doorways, treatment areas, on elevators, and in narrow corridors. The model can be battery operated for up to two hours.



MODEL 77 – converts any room or open space into an isolation room by changing the air every six seconds in protected patient zone. The unit is extremely portable, fits over any hospital bed, and folds away for storage.

These FailSafe systems are the first and only patented and FDA-cleared portable isolation systems on the market today. The traditional healthcare approach to containment of infectious disease combines the use of isolation rooms with personal protective equipment such as masks, gowns and gloves. FailSafe portable isolation systems are based on a new approach that focuses state-of-the-art technology on remediation of the infectious area of concern, while not wasting resources on low-risk room contents and non-occupied space. As a result, the total cost of a portable isolation system is substantially less than traditional isolation room costs - estimated at \$60,000 to \$80,000 per room for construction with additional costs incurred for maintenance. Further cost savings are realized as portable isolation systems allow for a safe bed-side contact with patients, thus eliminating the need for caregivers to wear high levels of protective gear (e.g., forced-air respirators). In total, these systems are up to 50% less expensive than current isolation room solutions and are 80% to 90% less expensive to maintain.

FREESTANDING CONTAINMENT SYSTEMS ("ISOLATION BOOTHS")

FailSafe Freestanding Containment Systems (FCS) provide an indoor negative pressure area without the need for outside ventilation (exhaust). Applications for the isolation booths range from a smoke room to a large containment area for patients with tuberculosis or smallpox to a mail sorting room for any organization concerned with potential contamination through the mail.

These systems were originally developed as smoke booths - self-contained areas where noxious fumes from smoking are controlled and extricated thus protecting individuals outside of the contained area. Based on a 1998 Roswell Park Cancer Institute Study funded by the New York State Department of Health, FailSafe isolation booths were found effective for containing residual smoke and

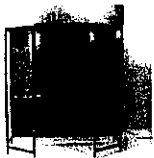
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Air Safety Systems

were approved by Erie County⁴ and the Canadian Workers Compensation Board as an acceptable alternative to separate smoking rooms in public and private locations. The booths are currently under evaluation in the state of New York as an air purifying system for bars and taverns to protect patrons' health and address the fall off in their business due to the current smoking ban. In addition, use of isolation booths can result in higher productivity and reduced building, permitting and maintenance expenses for the owners of the systems.

Since product inception, the range of applications for FailSafe isolation booths has expanded dramatically, given the potential for bioterrorism attacks through mail and other means. Serving as mailrooms or isolation areas for contagious patients, FailSafe Freestanding Containment Systems can prevent contamination from spreading into the general environment and reduce cleanup and downtime costs.

FailSafe isolation booths are available in multiple standard and custom sizes and can be easily installed and disassembled, as needed. This product line includes four standard models (007, 107, 247 and 7000) that vary in size from 7.75 x 6 x 3 to 7.75 x 16 x 8 feet.

MODEL 007**MODEL 247****MODEL 107****MODEL 7000**

PORTABLE ISOLATION CONTAINMENT SYSTEMS ("PICS")

PICS is a stand alone portable isolation solution to be used for hospital surge capacity and for isolation of multiple infected patients. Microbes (such as TB, SARS, or Bird flu) or acts of bio-terrorism (anthrax or smallpox) can be addressed with these products. PICS has been designed as a stand-alone shelter or a series of connected shelters that form a medical complex with rooms and passageways.

Each shelter can be configured as a negative pressure (isolation) environment or positive pressure (protective) environment that meets CDC guidelines for medical isolation or positive protection environments. Dimensions per module are 19' wide x 35' long, and are outfitted with double width doors at each end, insulation, vinyl floor, wiring harness kit, fluorescent lights and integrated doctor/nurse desk stations. The internal air environment is conditioned for maximum efficiency of heating in winter and cooling in summer with a portable electric forced air integrated heating and cooling system. All PICS products are designed to be easily transportable or stored and ready for immediate use.

**Interior of PICS Shelter****PICS Filtration, Heating and AC device**

⁴ Letter from Mr. Arnold N. Lubin, MD, Commissioner of Health, County of Erie dated September 10, 1997. This document is proprietary and confidential.
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FailSafe
Air Safety Systems

TECHNOLOGY

FAILSAFE AIR SAFETY SYSTEMS APPROACH

FailSafe products employ a unique air safety process that is based on three proven technologies: HEPA and HEGA filters, UV light and ozone. This process was initially developed in response to the Tokyo Sarin Gas Incident since no portable air containment system for emergency service existed. The main components of the system include: a prefilter; an industrial, high capacity, micro fiberglass HEPA filter; ultraviolet lamp(s); and a high volume blower. The standard models include a HEPA filter and prefilters. The HEPA filter can be considered a long-term filter (up to three years with intermittent usages) while the prefilters are incident-specific short-term filters. For non-emergency service, keeping a primary combination prefilter and charcoal filter inside the unit ensures that the HEPA filter is always protected.

Contaminated air is drawn into the system while decontaminated air is ejected from the rear, immediately diluting the airborne hazard. A properly placed and filtered system will capture dust, mist, gas, or vapors at the escape point and eject air which has been scrubbed and decontaminated to antiseptic standards. Ozone can be activated to further treat substances by oxidation while removing odor. A patent application has been filed in the U.S. on this process and products, and the Company intends to seek foreign patent rights.

EFFICACY AND APPLICATIONS

According to the Environmental Protection Agency (EPA), the three most common approaches to reducing indoor air pollution, in order of effectiveness, are:

- Source Control: eliminate or control the sources of pollution;
- Ventilation: dilute and exhaust pollutants through outdoor air ventilation; and

- Air Cleaning: remove pollutants through proven air cleaning methods.

Of the three, the first approach - source control - is the most effective.⁵ FailSafe combines all three EPA recommended control strategies into a portable high powered system that acts to capture the source, ventilate and clean the air through filters, UV light and ozone oxidation.

FailSafe systems provide for up to 99.99% capture at 0.1 microns (vs. standard 99.97% capture at 0.3 microns). This toxic microbial capture and containment system builds on years of studies specifically involving *Bacillus anthracis* (anthrax) and smallpox and is effective for most viruses.

FailSafe's systems can be used to create negative or positive pressure environments and in recirculation mode. The flexibility of the FailSafe systems allows for applications in a wide variety of civilian and military situations, including:

- Removal of chemical and biological contamination from terrorist attack;
- Removal of radioactive contamination from a 'dirty bomb' attack;
- Isolation of infectious patients;
- Decontamination from hazardous industrial spill or accident;
- Sick building syndrome and mold remediation; and
- Removal of toxic smoke or fumes.

INTELLECTUAL PROPERTY

FailSafe has built a strong proprietary position for its air safety process. The Company has perpetual worldwide exclusive rights to a patent covering the air safety process in its medical systems (U.S. Patent No. 6,162,118). Ownership of this patent is controlled by one of two inventors - Ted Arts. Application for a second patent has been filed (U.S. Provisional Patent Application No. 60/382,126) for improvements in the airborne

⁵ EPA Document # 402-K-93-007, April 1995.